

EUCALYPTUS GROVES

FINANCIAL & BUDGET

	2002 BUDGET	"Projected" 2001 ACTUAL	2000 ACTUAL	1999 ACTUAL	1998 ACTUAL
-- REVENUES --					
OWNER ASSESSMENTS	\$427,452.00	\$382,344.00	\$348,105.01	\$321,739.59	\$320,036.21
SPECIAL ASSESSMENT	0.00	0.00	3,216.20	82,559.80	0.00
INTEREST INCOME	14,000.00	17,000.00	18,799.14	13,025.89	15,065.31
OTHER INCOME	0.00	1,100.00	1,952.95	1,331.99	1,718.40
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TOTAL REVENUE	\$441,452.00	\$400,444.00	\$372,073.30	\$418,657.27	\$336,819.92
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-- EXPENDITURES --					
CLEANING	\$10,000.00	\$9,500.00	\$6,645.00	\$7,935.00	\$8,785.00
ELECTRIC	18,000.00	17,000.00	14,849.08	14,712.49	14,145.09
LANDSCAPING	54,000.00	53,000.00	54,527.68	50,697.60	50,697.60
LANDSCAPING SUPPLY/EXTRAS	10,000.00	11,000.00	5,154.79	5,560.00	4,750.25
MANAGEMENT	19,656.00	18,900.00	18,360.00	17,904.00	17,388.00
PAINTING	1,000.00	2,500.00	2,127.69	186.97	658.34
POOL MAINT & SUPPLIES	12,000.00	12,000.00	8,239.77	8,733.77	10,149.34
POOL HEATING (GAS)	8,000.00	8,000.00	4,193.05	4,896.20	5,686.88
REPAIRS & MAINT	80,000.00	82,000.00	116,941.64	121,549.56	167,778.95
RUBBISH REMOVAL	37,000.00	35,000.00	37,357.19	29,161.42	27,277.17
PATROL/ALARM SERVICES	0.00	0.00	4,144.00	3,773.83	3,007.78
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SUPPLIES	2,500.00	1,000.00	4,743.34	1,809.51	1,740.87
WATER & SEWER	12,000.00	11,000.00	12,095.89	10,565.32	12,089.69
INSURANCE	54,000.00	54,000.00	75,508.60	35,961.15	33,427.30
PEST CONTROL	2,000.00	1,000.00	705.00	259.00	3,175.00
PROFESSIONAL FEES	1,000.00	2,500.00	1,475.00	2,074.00	1,875.00
TELEPHONE (ENTRY GATE)	700.00	600.00	514.87	524.48	532.56
TAXES	4,000.00	3,954.00	1,740.00	2,250.00	3,790.00
MISCELLANEOUS	1,500.00	1,000.00	304.98	2,318.92	1,197.60
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TOTAL	\$327,356.00	\$323,954.00	\$369,627.57	\$320,873.22	\$368,152.42
Reserve Expenditures	45,500.00	22,000.00	16,112.96	21,804.81	36,172.41
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TOTAL EXPENDITURES	\$372,856.00	\$345,954.00	\$385,740.53	\$342,678.03	\$404,324.83
RESERVE Increase (Decrease)	68,596.00	54,490.00	(13,667.23)	75,979.24	(67,504.91)
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TOTAL FUNDS NEEDED	\$441,452.00	\$400,444.00	\$372,073.30	\$418,657.27	\$336,819.92
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MONTHLY FEES: In order to meet this budget, the monthly fees (assessments) will be:

(179 Units)

\$199.00 EFFECTIVE JANUARY 1, 2002

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Note: Units paying fees after the 15th day of the Month, will be charged a late charge of 10% of the amount due.

SPECIAL ASSESSMENT: No Special Assessment is anticipated in 2002.

"Projected"				
FUNDS AVAILABLE:	CalFed Bank	\$98,000.00		
12/31/01	1st Bank	98,000.00		
	Goleta Nat Bank	99,000.00		
	Palomar bank	100,000.00		
	Operating Account	8,000.00	TOTAL	\$403,000.00
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EUCALYPTUS GROVES (Cont)

MAJOR REPAIRS AND REPLACEMENTS:

The following cost estimates and reserve analysis is based on a reserve study which is reviewed by the Board of Directors each year to account for inflation and planning changes:

ITEM-Expected Life	EXPECTED DATE DUE	EXPECTED COST	REQUIRED IN RESERVE 12/31/01	BALANCE NEEDED	2002 ADDITIONS	PROJ. BAL. 12/31/02
Paint Wood/Metal Trim -4	2002	45,500	45,500	0	(45,500)	0
Tree Trimming -3	2003	15,000	10,000	5,000	5,000	15,000
Spa Retile-18	2003	3,000	2,667	333	167	2,834
Stair Landing Reseal-4	2003	5,200	3,900	1,300	1,300	5,200
Paint - Wood Siding -8	2003	96,000	72,000	24,000	12,000	84,000
Exercise Room Equip. - 15	2003	3,200	2,987	213	213	3,200
Paint Front Wood Fence - 8	2004	4,200	3,150	1,050	525	3,675
Paint Carports - 8	2004	48,000	36,000	12,000	6,000	42,000
Asphalt Seal Coat/Repair-4	2004	12,000	6,000	6,000	3,000	9,000
Paint Metal Fence & Rail - 4	2005	2,500	0	2,500	625	625
Pool Pump - 8	2005	800	400	400	100	500
Pool Tile/Coping - 20	2005	2,000	1,600	400	100	1,700
Cabana Floor Tile-20	2005	2,300	1,840	460	115	1,955
Termite Fumigation (Bal)-20	2005	48,000	38,400	9,600	2,400	40,800
Intercom -15	2006	3,000	2,000	1,000	200	2,200
Card Readers/Buzzers - 15	2006	4,000	2,667	1,333	167	2,834
Stair Landing Resurface -20	2007	33,800	23,660	10,140	1,690	25,350
Mailbox Pagodas - 15	2007	7,800	4,686	3,114	519	5,205
Gate Operator (Slide) - 10	2008	2,500	750	1,750	250	1,000
Pool Heater - 10	2008	2,500	750	1,750	250	1,000
Spa Heater - 10	2008	2,500	750	1,750	250	1,000
Spa Pumps - 8	2008	1,600	200	1,400	200	400
Gate Operator (Slide) - 10	2010	2,500	250	2,250	250	500
Stair Rails (3.5') -25	2010	8,500	5,440	3,060	340	5,780
Split Rail Fence-25	2010	3,600	2,304	1,296	144	2,448
Pool Filter - 12	2010	1,400	350	1,050	117	467
Spa Filter - 12	2010	1,400	350	1,050	117	467
Asphalt Overlay-25	2010	84,000	53,760	30,240	3,360	57,120
Metal Pool Fence (4')-25	2010	3,400	2,176	1,224	136	2,312
Roof Shingle-25	2010	262,500	168,000	94,500	10,500	178,500
Pool Replaster -12	2013	5,500	0	5,500	458	458
Cabana Water Htr. - 12	2013	2,000	833	1,167	167	1,000
Cabana Wall Tile-30	2015	4,200	2,240	1,960	140	2,380
Cabana Sauna/Bath Remodl-30	2015	3,000	1,600	1,400	100	1,700
Lights-Street Fixtures - 30	2015	14,000	7,467	6,533	467	7,934
Gutters/Downspouts-30	2015	28,000	14,933	13,067	933	15,866
Roof - Metal Carport-30	2015	82,500	44,000	38,500	2,750	46,750
Slide Gates - 25	2016	4,400	1,760	2,640	176	1,936
Sauna Heater -15	2016	1,900	0	1,900	127	127
Front Wood Fence - 25	2016	12,000	4,800	7,200	480	5,280
Bridge Repair-30	2017	16,000	7,467	8,533	533	8,000
Termite Fumigation (7606)-20	2019	4,800	240	4,560	240	480
Termite Fumigation (7630)-20	2020	4,800	480	4,320	240	720
Termite Fumigation (7634)-20	2021	4,800	0	4,800	240	240
Reserve Surplus (Shortage)			(175,357)	175,357	57,010	(118,347)
TOTALS		\$900,600	\$403,000	\$497,600	\$68,596	\$471,596

Ratio of actual cash reserves on hand to estimated cash reserves currently required

69.7%

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Projected Ratio at Year-End

79.9%

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EUCALYPTUS GROVES (Cont)

DELINQUENCY & LIEN POLICY: Unless otherwise stated all fees and assessments (including special assessments) are due on the first day of each month, in advance, and shall be delinquent 15 days after the due date. A late charge of 10% of the delinquent fee or assessment will be charged and added to the amount due. If fees, assessments, and/or late charges are unpaid at the end of any given month, a lien will be filed against the delinquent unit for the full amount due plus applicable interest, attorney fees, lien filing costs and other costs of collection. If the balance due is not paid within thirty (30) days after the lien is filed, the Association may take all any and all actions permitted by law including, but not limited to, filing suit and/or foreclosing the lien.

PRIOR ADR REQUIRED: Each year the association is required to disclose that before an association or member files a lawsuit to enforce the governing documents, (other than for the collection of assessments), the parties must attempt to resolve the dispute by use of Alternative Dispute Resolution. "Failure of any member of the Association to comply with the prefiling requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents."

INSURANCE: California Civil Code Section 1365 requires an annual insurance disclosure of the Association's insurance as follows:

GENERAL LIABILITY INSURANCE:

Company: Allstate Insurance Company
Coverage: \$2,000,000 Per Occurance
Umbrella: \$1,000,000 Per Occurance

Anniversary Date: November 15th

Deductible: None

Anniversary Date: March 5th

PROPERTY INSURANCE:

Company: Allstate Insurance Company
Coverage: \$18,000,000

Anniversary Date: November 15th

Deductible: \$1,000

EARTHQUAKE INSURANCE:

Company: RLI Insurance Company
Coverage: \$18,000,000

Anniversary Date: November 15th

Deductible: 10% of the Insurance Coverage

FLOOD INSURANCE: The Association has none.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

MINUTES AVAILABLE: Each year the Association is required to disclose that minutes for all Association or Directors' meetings are available to all owners. The cost, if any, of providing copies of the minutes is to be paid by the requester.

EUCALYPTUS GROVES (Cont)

-- CURRENT NOTES --

IN 1998:

1. A reserve study was done by Kurkowski & Assoc (Approx \$1,065).
2. Spot treatment for termites at 7606, 10, 20, 28, 30, 32, & 34 (Approx \$1,700).
3. Removed 5 eucalyptus trees along RR tracks, removed trees due to storms & safety pruned trees throughout (Approx \$26,700).
4. Entry gate was hit by a vehicle and replaced (Approx \$2,100 paid by insurance).
5. Dryrot was repaired at 7602 #203 & 303, 7634 #255, 354 & 355 (Approx \$21,600).
6. Waterproofed and installed french drain at 7606 #104 (Approx \$12,300).
7. At 7610 #108 & 109, installed french drain, waterproofed siding, removed excess soil under bldg & replaced walks (Approx \$18,600).
8. Repaired dryrotted staircase & siding at 7606 #211 (Approx \$12,500).
9. At 7632 #250 & 350 dryrot was repaired and deck resurfaced (Approx \$12,700).
10. Pool filter was replaced (Approx \$1,400).
11. Spa filter replaced (Approx \$1,400).
12. At 7638 #133, french drain installed & siding waterproofed (Approx \$12,500).
13. At 7638 #367, dryrot siding repaired & common deck resurfaced (Approx \$8,000).
14. At 7602 #101 & 7640 #135 - French drain installed & siding waterproofed (Approx \$25,000 of which \$14,000 to be paid in 1999).
15. Entry gate open replaced (Approx \$2,400 to be paid in 1999).
16. Replaced pool skimmer (Approx \$1,650).
17. Replaced pool heater & jacuzzi heater (Approx \$5,100).
18. Dryrot was repaired at units #332,342, & 358 (Approx \$10,600).

IN 1999:

1. Dryrot was repaired at units #105, 210, 211, 239, 302, 310, 311, 339, 342, 348, & 349 (Approx. \$75,700).
2. Building 7630 was fumigated for termites (Approx \$4,500).
3. Common decks were resurfaced at units 326, 327, 341 (Approx \$2,400).
4. Asphalt was sealed (Approx \$11,600).
5. Trees near 7602, 7606, & 7636 were trimmed (Approx \$2,800).
6. Because of unanticipated costs of correcting dryrot, a reserve shortfall existed at the end of the year. The Board has budgeted to eliminate the shortfall within three years.
7. Dry rot repair stairs, siding & decks #210, 302, & 310 (Approx \$28,000).
8. Common deck resurfaced at #358 & 359 (Approx \$1,050).
9. Trees trimmed around 7602, 7606, & 7636 (Approx \$2,800).

IN 2000:

1. Spa jet pumps replaced (Approx. \$1,600).
2. Gate operating system replaced (Approx \$3,300).
3. Dryrot repaired at #124, #314, #315, #316, & #317 (Approx \$41,300).
4. Building 7606 fumigated for termites (Approx \$4,900).
5. Main Sewer lines cleared (Approx \$3,000).
6. Fire extinguishers installed at all buildings required by fire dept. (Approx \$4,000).
7. Phone circuit board at entry gate replaced (Approx \$1,000).
8. Pool replastered (Approx \$5,400).
9. Dry rot repaired at #222,322, 268 & 368 (Approx \$28,000).
10. Leaning and/or dead trees removed and replaced (Approx \$3,300).
11. New electric gate installed at pool (Approx \$2,600).

IN 2001:

1. Reserve study by J. D. Brooks (Approx \$1,100).
2. Dryrot repair at #255 & 256, 270 & 370, 312, 364 (Approx \$31,000).
3. Sauna heater replaces (Approx \$1,900).
4. Perimeter Fence Repaired (Approx \$2,200).
5. Bldg 7634 fumigated for termites (Approx \$5,000).
6. Painted metal fence at pool (Approx \$1,000) & handrails (Approx \$5,700).
7. Removed dead trees & planted new trees (Approx \$6,800).
8. Reroofed 3 mailbox structures (Approx \$1,200).
9. New reserve study showed reserve shortage. Board set policy to eliminate shortage within 3 years.